

CHARGING COSTS TO FEDERAL GRANT AWARDS: GUIDANCE ON PARTICULAR COST ITEMS

The Office of Management and Budget (OMB) provides guidance on whether particular cost items may be charged to federal grant awards. This guidance is condensed below into a table for reference by PIs and others involved in the financial management of such awards. The information is derived from the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (CFR 2 Part 200)*, a document commonly referred to as the *Uniform Guidance*.

When using this reference, please keep the following in mind:

- To be charged to a federal grant award, any cost must meet a set of general standards also established by the Office of Management and Budget. For a summary of these, see the ORS document *Charging Costs to Federal Grant Awards: General Standards*.
- In some cases, costs that are generally deemed unallowable may be authorized under the terms of a particular federal grant award. In those situations, the award takes precedence.
- If you are uncertain whether a particular cost is allowable, please contact the Office of Research Services for guidance. For contact information, see the [staff list](#) on our web site

UNALLOWABLE

These costs are generally deemed unallowable by OMB. Limited exceptions to this are noted.

- Advertising and public relations (allowable in some limited circumstances, such as the need to advertise a research study to recruit subjects)
- Advisory councils (unallowable unless authorized by the awarding agency)
- Alcoholic beverages
- Alumni/ae activities
- Bad debts
- Civil, criminal, or administrative proceedings
- Commencement and convocation costs
- Contingency provisions (some limited exceptions apply--see section 200.433 of the *Uniform Guidance* for discussion of these)
- Contributions and donations
- Entertainment costs
- Fines, penalties, damages, or other settlements (unallowable except when incurred in complying with specific provisions of the federal award)
- Fundraising and investment management costs (costs related to the physical custody and control of money and securities are allowable)
- Goods or services for personal use (unallowable except for costs of housing, housing allowance, and/or personal living expenses specifically provided for in the federal award)
- Lobbying costs
- Losses on other awards or contracts
- Membership in country, social, or dining clubs, or in lobbying organizations
- Proposal costs
- Selling and marketing costs

Allowable Under Limited Circumstances

The limited circumstances in which the following costs are allowable are noted.

- Equipment and other capital expenditures (must be specifically approved by the awarding agency, as part of the award budget or via prior written approval)
- Materials and supplies (must be needed for a specific purpose that relates directly to the project's scope of work, explicitly identified and justified in the proposal budget, and accepted by the sponsoring agency)
- Computing devices, including computers, computer peripherals, tablets, and smartphone (must be primarily dedicated to the performance of the grant award to which the cost is assigned, explicitly identified and justified in the proposal budget, and accepted by the sponsoring agency)
- Interest (allowable in some circumstances, but extensive conditions apply—contact ORS for guidance)
- Participant support costs (must be specifically approved by the awarding agency, as part of the award budget or via prior written approval)
- Publication and printing costs (must be needed for a specific purpose that relates directly to the project's scope of work, explicitly identified and justified in the proposal budget, and accepted by the sponsoring agency)
- Rearrangement and reconversion costs—space alteration (must be incurred specifically for a federal award, with the cost included in the award budget or with the prior written approval of the federal agency)
- Student activity costs (must be specifically provided for in the federal award)
- Transportation (shipping) costs (may be charged only when such costs can be readily identified with the items involved)

Allowable, with Qualifications/Restrictions

The following items are generally allowable as long as the qualifications/restrictions noted are met.

- Audit services
- Bonding costs (if bonding is required by the federal agency)
- Collection of improper payments
- Compensation for personal services (if reasonable and soundly documented)
- Compensation—fringe benefits (if reasonable and required by law, employee agreements, or policy)
- Conferences (if necessary and reasonable for the successful performance of the federal award)
- Depreciation (if OMB guidelines for cost calculations are followed)
- Employee health and welfare costs (if consistent with documented DePaul policies for improving working conditions, employer-employee relations, employee health or performance)
- Exchange rate fluctuations
- Insurance and indemnification (if required by the federal award)
- Intellectual property (some costs related to securing patents and copyrights are allowable—contact ORS for guidance)

Allowable, with Qualifications/Restrictions (continued)

- Maintenance and repair costs (costs that maintain efficient operating condition are allowable; costs that add to the value of the property or prolong its intended life are not)
- Pre-award costs (within 90 days of the project start date)
- Professional service costs
- Recruiting costs—for hiring purposes (must conform to DePaul’s established practices)
- Relocation costs of employees (must conform to DePaul’s established practices; the new employee must work for at least 12 months; does not include costs associated with acquiring a new home, a loss on the sale of a former home, or mortgage payments on a home being sold)
- Rental costs of property and equipment (cost must reflect market conditions; restrictions on some types of leases and on leasing arrangements that involve conflicts of interest)
- Scholarships and student aid costs (allowable when the purpose of the award is to provide training to selected participants and the charge is approved by the awarding agency)
- Taxes (taxes for which exemptions are available to DePaul may not be charged)
- Termination costs (ORS can provide guidance on this in the event a federal award is terminated)
- Training and education costs for employees
- Travel costs (must be handled in accordance with DePaul’s written travel reimbursement policies; other conditions and restrictions involving travel by dependents and travel on commercial airlines apply. ORS can provide further guidance on this.)